GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2611
ANSWERED ON:31.08.2007
PROBING IRREGULARITIES IN FINANCIAL INSTITUTIONS
Thummar Shri Virjibhai

Will the Minister of FINANCE be pleased to state:

(a) whether the Supreme Court/High Courts have directed the Government to initiate enquiry into the cases of irregularities in the financial institutions owned by the State Governments;

(b) if so, the details thereof; and

(c) the steps taken in this regard so far, State-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): The State Financial Corporations (SFCs) have been established under the SFCs Act, 1952 (Central Act 63 of 1951). This Act provides limited supervisory role to Small Industries Development Bank of India (SIDBI) in the affairs of SFCs. SIDBI has reported that nothing has been brought to their notice so far with regard to initiation of enquiry into the cases of irregularities in the SFCs.

(b) & (c): Do not arise.